



**North Carolina Department of Health and Human Services  
Division of Mental Health, Developmental Disabilities and Substance Abuse Services**

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Michael F. Easley, Governor  
Carmen Hooker Odom, Secretary

Michael Moseley, Director

August 30, 2006

**MEMORANDUM**

**TO:** LME Directors

**FROM:** Wanda Mitchell  
Budget & Finance Office

**SUBJECT:** SFY 07 Final Continuation Allocation

Attached is the SFY 07 Final Continuation allocation which includes the following information:

- Individual Area Program Allocations
- Cross Area Service Program (CASP) Funding
- Mental Health, Developmental Disability, and Substance Abuse Program Expansion Funds
- Expansion Funding Purpose and Allocation Methodology

Funding included in this communication consists of last year's SFY 06 "Final" Allocation amount as provided in a memo dated September 30, 2005, with adjustments for subsequent allocations made during SFY 06 noted as recurring increases or decreases. Also included are new dollars appropriated by the General Assembly. The majority of these funds have been distributed at the LME level. However, some program expansion funds have not been allocated in this letter but are listed under the Raleigh Office Reserve. It is our intention to have these funds distributed as quickly as possible to assist area programs in implementing services. Of the expansion funds distributed within this communication either to the LME or Raleigh Reserve, listed below is the purpose for those funds, if applicable.

**Developmental Therapies (DT)**

**Purpose:** Provide funding for State-funded service to replace services and funding lost due to changes in federal policy and funding.

*NOTE: Developmental Therapy annualized allocations for SFY 07 were anticipated to total \$29.4m as reflected in SFY 06 individual allocation letters. Based on an actual Developmental Therapy expansion appropriation of \$26m, funding adjustments were necessary to remain within available resources. Funding adjustments were essentially a prorata reduction among LMEs, with minor adjustments for the level of services billed for the past three months. Based on the timing of service billings, only limited billing information is available at this time. The Division will review billings and allocations for Developmental Therapy services on a quarterly basis during the year, and adjust allocations based on need.*



### **Mental Health Services**

**Purpose:** Provides \$7,200,000 funding for mental health services to be distributed to the Local Management Entities (LMEs) such that each LME receives a percentage of the total allocation that is equal to that LMEs percentage of the State's total population below the poverty level. Funds are allocated 80% adult and 20% child based on previous utilization.

### **Substance Abuse Services**

**Purpose:** Provides \$6,900,000 funding for substance abuse services to be distributed to the LMEs such that each LME receives a percentage of the total allocation that is equal to that LMEs percentage of the State's total population below the poverty level. Funds are allocated 80% adult and 20% child based on previous utilization.

An additional \$300,000 of Substance Abuse Services funds are allocated for TASC for Neuse, Cumberland and Western Highlands. Special conditions for TASC funding include:

- Operate TASC in accordance with the TASC Standard Operating Procedures (SOP), the Department of Health and Human Services (DHHS)-Department of Correction (DOC)-Administrative Office of the Courts (AOC) Memorandum of Agreement (MOA) and the Offender Management Model (OMM).
- Submit data, information and reports that document program activities, budgets and performance measures. The information includes, but is not limited to:
  - TASC Regional Quarterly Reports;
  - TASC Criminal Justice Management (CJM) performance measures;
  - TASC SOP, DHHS-DOC-AOC MOA and OMM compliance;
  - Sentencing and Policy Advisory Commission requests for data;
  - Legislative requests for information; and
  - Any other Division-specified information or data.
- Participate in TASC, treatment and justice-related meetings and training events.

### **Supportive Services for HUD 811 Projects**

**Purpose:** Provides funding for on-going operations and start-up expenses to support 12 group home beds and 80 apartments financed through the United States Department of Housing and Urban Development.

### **Start-Up Funding for Crisis Services**

**Purpose:** Provides funding for start-up costs for crisis services to be used by LMEs to establish a continuum of regional crisis facilities and local crisis services for persons with mental illness, developmental disabilities, and substance abuse addictions. Funds are distributed per Senate Bill 1741 Sec. 10.26.(a) on a per capita basis for operational start-up, capital, or subsidies related to the development and implementation of a plan for a continuum of regional crisis facilities and local crisis services ("crisis plan").

*NOTE: While the amount of the allocation is set forth in the expansion schedule, these are non-recurring funds and will be allocated via separate allocation letters once an LME receives Division approval of its Crisis Plan per Senate Bill 1741, Section 10.26(e).*

### **State Services Dollars for Crisis Services**

**Purpose:** Provides funding for crisis services to be distributed to LMEs such that each LME receives a percentage of the total allocation that is equal to that LMEs percentage of the state's total population below the poverty level. LMEs may use these funds to pay for mental health, developmental disabilities, or substance abuse crisis services provided to non-Medicaid eligible adults and children who are indigent and have no other third-party payment source. Funds are



allocated 40% for mental health services, 40% for substance abuse services and 20% for developmental disability services.

### **Child and Family Teams**

**Purpose:** Provides funding for designated LMEs to hire 18 Care Coordinators to work with Child and Family Teams. The LMEs receiving funds for this purpose are LMEs with schools participating in the School-Based Child and Family Support Team initiative in their catchment area. The schools participating in the initiative were previously selected.

Funds for Care Coordinator position(s) is to work with the schools in the LME catchment area. Priority shall be given to the schools designated in the Governor's Child and Family Support Team initiative and other schools in the catchment area will be served as time allows.

The Care Coordinator position(s) *shall* include the following functions:

- Serve as the primary contact for the schools in their catchment area for children and families identified as having behavioral health issues.
- Receive and coordinate all school referrals for all school age children and assure that children referred are screened, assessed and connected with services and supports.
- Work with the schools, especially the social worker/school nurse teams, to discuss treatment options with the child and family and assist in connecting them to the LME and treatment providers, clinical home with medical home, and other supports within the community system of care.
- Maintain contact with the child and the family and the social worker/school nurse team to monitor the impact treatment is having on school performance and achievement.
- Work in coordination with this initiative's Interagency Advisory Committee and the LME System of Care Coordinator in facilitation of family and youth involvement and collaboration among community partners.
- Participate in required training and evaluation activities by the initiative and provide reports required by the initiative and the DMHDDSAS.

Other Care Coordinator position(s) functions will include:

- Provide training for school personnel, including the social worker/school nurse teams, teachers and others, on strategies to deal more effectively with the behavioral challenges that children with behavioral health issues or whose families have behavioral health problems present in the school setting.
- Provide and/or coordinate a more in-depth assessment if a routine screening or specialized screening identifies possible mental health, developmental disabilities, or substance abuse issues.
- Facilitate child and family teams when there is no clinical home and service planning is urgent or imminent.

In addition to regular reporting requirements the following reporting requirements are required as referenced in G.S. 122C-144.1. Budget Format and Reports.

- Participate in all evaluation activities and reporting requirements as prescribed by the Governor's Child and Family Support School Team Initiative at the local and state levels.
- Coordinate with and send copies of reports to Susan E. Robinson, Prevention and Early Intervention Team, Community Policy Management Section, NC Division of MHDDSAS.

*NOTE: Each LME receiving \$60k is to hire at least 1 additional Care Coordinator and those receiving \$120k are to hire at least 2 additional Care Coordinators. Please see related footnote on expansion allocation worksheet for this item regarding inclusion of Medicaid administrative funds.*



### **Operating Cost Subsidy – 400 Apartment Initiative**

**Purpose:** Provides recurring operating cost subsidy for 400 independent – and supportive-living apartments for individuals with disabilities financed by the North Carolina Housing Finance Agency as described in the previous item. The apartments shall be affordable to those with incomes at the Supplemental Security Income (SSI) level.

*NOTE: These funds are transferred from DMHDDSAS to DHHS and will be managed by DHHS on a permanent basis.*

The following is an update for federal requirements related to how the SAPTBG HIV Early Intervention Set Aside funds have to be utilized. Requirements for the use of Substance Abuse Prevention and Treatment Block Grant HIV Early Intervention Set-Aside Funds are that these funds are to be used for HIV Early Intervention Services for at risk substance abusing clients at the sites where these individuals are undergoing substance abuse treatment. Use of these funds should increase the availability of on-site pre and post HIV test counseling and the provision of OraQuick Rapid HIV Antibody tests for high risk individuals at the sites where these individuals are undergoing substance abuse treatment. In accepting these HIV Set Aside Funds, the Local Management Entity agrees to utilize these funds as defined below.

Following is a definition of HIV Early Intervention Services:

- Appropriate pre HIV test counseling performed by counselors who have completed a North Carolina state –certified HIV Counseling, Testing, and Referral Services (CTRS) training program
- Testing individuals with respect to such disease, including tests to confirm the presence of the disease, tests to diagnose the extent of the deficiency in the immune system and tests to provide information on appropriate therapeutic measures for preventing and treating the deterioration of the immune system and for prevention and treating conditions arising from the disease
- Appropriate post- HIV test counseling
- Providing therapeutic measures for preventing and treating the deterioration of the immune system and for prevention and treating conditions arising from the disease. (45 CFR Part 96.12P1).

The following services are considered early intervention services based on Section 1923 of the PHS Act:

- SA Case Management pertaining to HIV as it refers to early intervention services and testing with respect to the disease, including tests to confirm the presence of the disease, test to diagnose the extent of the deficiency in the immune system and tests to provide information on appropriate therapeutic measures for preventing and treating the deterioration of the immune system and for preventing and treating conditions arising from the disease
- HIV Case Management as it refers to early intervention services and testing with respect to the disease, including tests to confirm the presence of the disease, tests to diagnose the extent of the deficiency in the immune system and tests to provide information on appropriate therapeutic measures for preventing and treating the deterioration of the immune system and for preventing and treating conditions arising from the disease
- SA Counseling focused on HIV as it pertains to Pre and Post HIV Test Counseling.

The following services are not considered to be early intervention services based on Section 1923 of the PHS Act:

1. SA Outreach with non clients aimed at HIV prevention and intervention.
2. HIV outreach with non SA clients.
3. HIV education in SA treatment settings

The following are the requirements pertaining to reporting on these Non-UCR funds and outline the outcomes that LMEs receiving these funds must measure.

1. Number of persons served in pre/post HIV test counseling on site
2. Number of clients offered test on site



3. Number of persons receiving HIV testing on site
4. Number of persons receiving services provided as therapeutic measures for preventing and treating the deterioration of the immune system and for prevention and treating conditions arising from HIV disease on site.

In addition to information for expansion funds appropriated in this memo, CASP information is being provided to LMEs. It may be possible that some changes or edits are necessary in this list due to the merger of programs. In reviewing the amount of CASP funds designated to your LME for SFY 07, please contact the Budget & Finance office to discuss any questions or concerns you may have.

This allocation letter also contains a change from the allocation of LME Systems Management Funding included in the Preliminary Continuation Letter. The General Assembly mandated in Senate Bill 1741 that for SFY 07 and until a revised LME cost model is implemented, for the funding for all LME functions shall remain at the SFY 2006 level, except for funds impacted by utilization review and claims processing. These changes are reflected in the LME Administrative Allocation dollars in Fund 1590 Account 536980 from the SFY 07 Preliminary Allocation Letter dated April 7, 2006.

On the attached individual LME service allocations, there are a limited number of reductions made from the amounts outlined in the Preliminary Allocation letter issued April 7, 2006. These reductions were necessary in order to fund LME systems management payments at the level required by SB 1741, Section 32 within resources available to the Division. In no case was an LMEs aggregate allocation reduced below the amount an LME was actually paid in SFY 06.

Some area programs will notice a change in coding in their federal fund allocation. This is necessary for the Division to track and report requirements associated with Federal Funds. A listing of federal requirements can be found as part of the LMEs Performance Contract, Attachment 13. Item III.E in Attachment 13 is modified, based on federal requirements, to read as follows, "SAPTBG, MHBG and PATH funds may not be utilized to pay the portion of a salary above the maximum of an Executive Level I of the Federal Executive Pay Schedule". This is currently \$183,500 annually; refer to <http://www.opm.gov/oca/06tables/index.asp>

<b><u>Federal Funds</u></b>	<b><u>CFDA #</u></b>	<b><u>FRC</u></b>
PATH	93.150	5F
Social Services Block Grant	93.667	Q7
Mental Health Block Grant	93.958	6U
Substance Abuse Prevention & Treatment Block Grant	93.959	5P
Governor's Safe & Drug Free Schools	84.186	5E

Should you have any questions related to this memo, please contact Kristi Hickman or Kent Woodson of the Budget & Finance Team at (919) 733-7013 or e-mail [Kristi.Hickman@ncmail.net](mailto:Kristi.Hickman@ncmail.net) or [Kent.Woodson@ncmail.net](mailto:Kent.Woodson@ncmail.net)

#### Attachments

cc: Secretary Carmen Hooker Odom Allen Dobson, MD DMHDDSAS Executive Leadership Team DMHDDSAS Management Leadership Team Yvonne Copeland Patrice Roesler Kaye Holder	MH Commissioner Chair Coalition 2001 Chair Kory Goldsmith Debbie Crane Regional Accountants LME Finance Officers Laketha Miller
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